

# 1. CHARTS OF ACCOUNTS

## 1.4 Object Codes

### **00 Depreciation, Amortization, Other Decreases in Fund Resources and Transfers-Out**

Use this category of object only with the accounts 501, 581, 585, 588, 589, and 597.

### **10 Salaries and Wages**

Amounts paid for personal services rendered by employees in accordance with the rates, hours, terms and conditions authorized by law or stated in employment contracts. This category also includes overtime, hazardous duty or other compensation construed to be salaries and wages. Subdivide this account as necessary for local purposes (i.e., regular pay, overtime pay, sick pay (employee related), sick pay (non-employee related), vacation pay, shift differential, and other taxable compensation).

Personal services do not include fees and out-of-pocket expenditures for professional or consultant services performed on assignments. Such services are properly classified as Services.

### **20 Personnel Benefits**

Those benefits paid by the employer as part of the conditions of current or past employment. Subdivide as needed for local purposes. Example: insurance, unemployment compensation, OASI (FICA) – employer-paid portion, uniforms, pension, and workers' compensation. Payments by self-insurance and trust funds to retired or disabled employees or their beneficiaries, employer payments to pension systems and to state agencies for unemployment and disability insurance. Use object 40 for payments from self-insurance funds for property and liability claims.

### **30 Supplies**

Include items purchased for consumption or resale (e.g., office supplies, forms, agricultural supplies, chemicals, laboratory supplies, cleaning supplies, clothing, construction materials, drugs, electrical supplies, feed for animals, household supplies, lubricants, medicines, painting and plumbing supplies, books, publications, etc.); fuel used to generate power, heating, and operate engines and vehicles (e.g., coal, diesel fuel, gasoline, oil, propane gas, wood, etc.); items purchased for resale (e.g., automotive repair parts, grave markers and liners, central store merchandise, maps, code books, concession supplies, fuel, trees, library books and other library materials, etc.); small tools and minor equipment.

### **40 Services**

Use this object for professional services provided by other governments or by private entities. Payments for governmental services like police, election, animal control, inspections, and health services should be coded to object 50.

Include professional services (e.g., accounting, auditing, advertising, computer services, medical, dental and hospital, management consulting, custodial, messenger, testing, monitoring, cleaning, engineering, architectural, legal, investment services, etc.); communication (e.g., postage, internet, telephone, facsimile, shipping, etc.); travel (e.g., mileage, lodging, meals, etc.); taxes and operating assessments (i.e., payments to other governments or funds based on levies against property or income of the government or a fund); operating rentals and leases (GAAP entities should use object 60 for capital leases; cash basis entities should use object 70 for the principal payments and object 80 for interest payments on capital

leases); insurance (e.g., liability, theft, bonds, casualty, etc.; however use object 20 for insurance applicable to personnel benefits); utility services (e.g., water, sewer, gas, electricity, waste disposal, television, etc.; however use object 30 for power, gas or water purchased for resale); contracted repairs and maintenance (use object 60 for construction contracts); other (e.g., court costs, investigation, judgments, damages, dues, subscriptions, memberships, registrations, information and credit services, laundry and sanitation services, filing, recording, witness fees, printing, binding, tuition, etc.).

## **50 Intergovernmental Services and Payments**

Expenditures made to other governments for governmental services rendered. Governmental services are limited to those functions normally provided by governments and not by private businesses. Examples include police and fire protection, detention, election services, animal control, inspections, libraries, pollution control, planning, and health services. Do not include expenditures paid to another government but not governmental in nature, such as those for insurance, utility charges, rentals, repairs and supplies. For these types of expenditures use object 40.

Include eligible intergovernmental payments and contributions from federal, state, or local resources to other governments or nongovernmental entities. Also include pass-through grants.

## **60 Capital Outlays**

Expenditures related to purchase or construction of assets considered capital according to the government capitalization threshold policy. This object should be used only with accounts 594 and 595.

Include expenditures related to acquisition of, rights to, or additions to capital assets, including incidental costs such as legal, appraisal and brokerage fees, land preparation and demolishing buildings, fixtures and delivery costs. This category of object includes purchases and construction of major capital assets which are purchased or constructed by the external party. Those constructed or fabricated by the municipality should be classified under other object classes; i.e., wages under Salaries and Wages, materials under Supplies, etc. Exclude small tools and minor equipment (use object 30).

Include land, land and other improvements (e.g., easements, site improvements such as excavation, fill, grading, utility installation, removal, relocation or reconstruction of property, retaining walls, fencing, landscaping, land acquisition costs and related expenditures, intangible rights to land, etc.); acquisition, construction and improvements of buildings (e.g., administrative and office buildings, garage, shops, firehouses, jails, libraries, zoos, park buildings, coastal and riverine structures, alleys, athletic fields, water/sewer systems, fuel depots, dikes, levees, signs and signals, landscape and vegetation, etc.); machinery and equipment (e.g., police dogs and horses, computer software/hardware, artwork, etc.); assets acquired under executory conditional sales contracts (RCW 39.30.010), lease-purchase agreements, installment purchase agreements, and similar arrangements that defer payment for capital outlays over a period of time (GAAP only; cash basis governments should use 594PP70 (principal) and 594PP80 (interest) for capital lease payments.

## **70 Debt Service – Principal**

Use with Basub 591, 593, 594 (cash basis only), 596 and 599. Include general obligation, revenue, special assessment bonds, capital leases, installment purchases, anticipation and other notes, anticipation warrants, contracts, intergovernmental loans, other debt, LOCAL program payments, etc.

**80 Debt Service – Interest and Issuance Costs**

Use with Basub 592, 593, 594 (cash basis only) and 599. Include interest on short and long-term external debt, interest on interfund debt, interests on debt to joint ventures and affiliates, LID assessments, interest on intergovernmental debt, leases, interest paid on overdue taxes (RCW 84.69.070), debt issuance and other debt service costs.